

On February 17, 2002, HUD released version 4.0 of the Multifamily Financial Assessment Subsystem (FASSUB). As part of this release new accounts were added to the submission templates to accommodate projects participating in the Mark-to-Market (M2M) program. Some of these accounts are mandatory (i.e. the submission cannot be validated unless the accounts are populated). Unfortunately these mandatory accounts have created submission problems for owners who were not approved to participate in the M2M program until after January 1, 2002, but who are trying to submit financial statements for the fiscal year ended December 31, 2001. For these projects, the system is requiring that certain M2M accounts be populated even though the projects were not M2M participants during the 2001 fiscal year. HUD is aggressively pursuing a solution to this problem, but the remedy cannot be implemented until the next FAASSUB system release scheduled for May 31, 2002.

The problem does not affect projects that were in a negative surplus cash position at the end of the 2001 fiscal year (account S1300-150 is less than or equal to zero). Financial statements for projects in a negative surplus cash position may be submitted; however, care should be taken not to populate any of the accounts applicable to the M2M program with anything other than a value of zero.

For projects in a positive surplus cash position at the end of the year (account S1300-150 is greater than zero), we ask users to follow these steps:

1. Request a 30 day extension for the submission (this will move the due date from April 30, 2002 to May 30, 2002 for financial statements with a Fiscal Year End of 12/31/2001)
2. Do not submit the December 31, 2001 financial statement until after the new system release scheduled for May 31, 2002 (the release will be announced on the REAC FASS-MF web-site)
3. Delete all data that has been entered into any of the M2M accounts (please note: As a precaution, the data will automatically be deleted when the new system release is implemented since this project was not an M2M participant during 2001)
4. Once the new FAASSUB release has been implemented, the financial statement can be submitted.

Please note these users are still free to enter non-M2M data into the submission templates while HUD is working on a fix to this problem, but we ask that they refrain from submitting the financial statement to HUD. The new system release will not alter any data entered other than to delete data entered into M2M accounts of those effected. We apologize for any inconvenience caused by this problem and we appreciate your cooperation. If you have any questions, please contact the REAC Technical Assistance Center at 1-888-245-4860.